The Impact of Automation on Cost Reduction in Indian Industries

/ Packaging Automation / By MVS ACMEI

In recent years, the adoption of automation technologies in industrial processes has become a pivotal strategy for companies in India, leading to significant cost reductions and enhanced operational efficiency. Reports indicate that businesses implementing automation have experienced cost savings of approximately 20%, a trend that is reshaping the landscape of manufacturing and other sectors across the country. Factory automation is reshaping the Indian manufacturing sector in a big way. By tapping into the advantages of automation—such as boosting efficiency, improving safety, cutting costs, fostering skill development, and enhancing global competitiveness—Indian manufacturers can firmly establish themselves as leaders in the industry.

The Rise of Automation in India

India, as one of the world's fastest-growing economies, is witnessing a transformative shift towards automation. This enhanced efficiency allows Indian companies to meet the growing demands of domestic and international markets, strengthening our competitive edge globally. This movement is driven by advancements in technologies that not only streamline operations but also improve productivity and reduce labor costs significantly. For instance, according to a report by McKinsey & Company, companies that have embraced automation can achieve operational cost reductions between 20% and 30% within a few years.

As a leader in steel and metals packaging, MVS ACMEI has integrated automated solutions across its processes, resulting in significant labor cost reductions—estimated at around 20%—and improved on-time delivery rates by 30%.

Indian industries have become more competitive both domestically and internationally owing to automation

The Indian Industrial Automation Market is growing at a
CAGR of 14.26%.
Estimated Growth in 2024: USD 15.12 billion
Estimated Growth in 2029: USD 29.43 billion
Source: Mordor Intelligence, Industry Report
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Indian Government Ensures 100% Support & Bolsters Automation for Manufacturing Industry

While the benefits of automation are clear, companies must also navigate challenges such as the initial investment costs associated with technology implementation. However, many businesses find that the long-term financial advantages far outweigh these upfront expenses. Indian Government initiatives like the Production-Linked Incentive (PLI) scheme are also supporting companies in their transition to automated systems by providing financial incentives.

The trend towards automation in India's industrial landscape is not merely a technological shift but a strategic necessity for companies aiming to remain competitive in an increasingly globalized market. With reported cost reductions of around 20%, businesses that adopt automation are better positioned to enhance efficiency, improve product quality, and ultimately drive growth in their respective sectors. As India continues to embrace these advancements, it stands on the brink of becoming a leader in industrial automation on the global stage.

To join the bandwagon that becomes the transformative force behind India's global leadership, begin your automation journey with our leading industrial automation solutions.

Get in touch with our engineers with a simple DM on social media or drop us a message here for a detailed discussion about the possibilities of tomorrow with MVS ACMEI.

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